25X1. The rubber industry is Czechoslovakia consists, apart from BATA and its subsidiaries, of the following main factories:

- a. Rubena in Nachod (tires, rubber tubes and bicycle rubber accessories).
- b. Mitas in Prague (tires only).
- Fatra in Napojedla (soft rubber goods, tubes, rubberized textiles, rubber boats, etc.)
- d. Rubber factory in Zubri (rubber threads).
- 2. The production of truck and automobile tires totals 15,000, of which Bata produces 60 percent, Rubena 25 percent, and Mitas 15 percent.* The quality of Bata tires is good; Rubena tires are only slightly inferior, but Mitas tires have caused such protests from customers that the withdrawal of Mitas goods from the expert list is under serious consideration.
- 3. A very severe drawback is the fact that most of the equipment is designed for the production of tires for passenger cars only, whereas there is a greater demand and need for truck tires. Production of new types of truck tires has been started, but the cutput remains unsatisfactory because of badly needed calenders and pressing machines which come from the Skoda works have a delivery delay of 18 months.
- To eliminate the shortage of tires and at the same time to satisfy the demand in Slovakia, a new factory is being built and will be opened on 1 January 1950. This factory is situated at Puchev. 70 kilometers from Zlin, near the Slovak-Horavian border and is designed to produce as many tires as Bata, Rubena, and Mitas together. It will be equipped with new American machinery which has already been paid for in dollars at a cost of 300 million Czech Crowns. No delivery of this machinery has been been made yet because of a sudden embargo by the U.S. authorities. The Five-Year Plan already takes into account the output of this factory in 1950 and it is estimated that the combined total output of all tire factories would create an over-production in Czechcslovakia and easily permit an annual expect of 750,000 tires.

	CONFIDENTIA	<u>L</u>	25X1		
CLAŞSIFICAT	ION SECRET				
STATE NAVY NSRB	DIST	RIBUTION			
ARMY X AIR FEI	1 1		Document No	009	
Approved For Rel	ease 2004/07/08	3 : CIA-RDP82-00	No Change in Declassific Class. Change Auth.: HR 70457R0	Class. Code of To: TS	25X1• s © By

25X1

CENTRAL INTELLIGENCE AGENCY

- 2 -

- To keep the rubber production going at the 1949 level, 15,000 tons of rubber and 5,000 to 6,000 tons of carbon black have to be imported yearly. Present supplies of rubber suffice for 6 months. The Czech rubber industry suffers from a shortage of carbon black, particularly since the USA introduced a system of export licenses. In spite of this it has been possible to buy up certain quantities of American carbon black via England and Holland, although in consequence the price was 50 percent higher than if a direct purchase had been possible.
- 6. Negotiations with the Rumanians for the purchase of carbon black failed because Russia demails two-thirds of the Rumanian carbon black production as reparations, and the Rumanians profer to sell the rest for badly needed dellars. Although (zechoslovakia delivers tires to Rumania which contain carbon black, Rumania has as yet not agreed to any compensation delivery.
- 7. A further bottleneck experienced by the Czech rubber industry is the shortage of fuel, which before the foundation of the West German State was imported from the Rhineland. The present west German embargo on fuel deliveries very seriously affects the Czech industry.
- 8. The only place in Grechoslovakia which produces synthetic rubber is the Baba factory in Otrokovica. The technical equipment, however, permits an output of only 800 liles per week, which is just sufficient for the production of oil and gasoline. Bata has tried to use Russian synthetic rubber (Buna), but as this is of an entirely different composition the results achieved were poor.
- 9. During the war German Buna CK 3 from Schkoppau was successfully used by Bata for the production of tires, tank wheels, and tank cushions. Schkoppau is now controlled by the Bussians, and although the factory is expected to be dismantled, this has not happened so far. In 1949 the Czechs approached the Bussians for supplies from Schkoppau but found that the counter demands for machinery and tires were too heavy; therefore they did not pursue the 25X1 matter further.

Comment: Source failed to state whether this is a weekly or a daily production figure.

	_	25X1	
CONFIDE			